

## Message Text

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ORIGIN EA-13

INFO OCT-01 ISO-00 EB-03 SS-14 L-02 RSC-01 /034 R

DRAFTED BY EA/PHL:RTWILLNER:EB/ICD/TRP:HRWANNING:DE:PAW

APPROVED BY EA:AWHUMMEL, JR.

EA/PHL:DCCUTHELL (DRAFT)

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EB/ICD/TRP:JJINGERSOLL (DRAFT)

EAB:JLKATZ (DRAFT)

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P 161953Z JAN 74

FM SECSTATE WASHDC

TO AMEMBASSY MANILA PRIORITY

C O N F I D E N T I A L STATE 009619

STADIS//////////

LIMDIS

E.O. 11652: GDS

TAGS: EAGR, ETRD, US, RP

SUBJECT: SUGAR

REFS: A. STATE 007003

B. STATE 008026

FOR AMBASSADOR SULLIVAN

1. LATEST AGRICULTURE DEPARTMENT ANNOUNCEMENT OF REQUEST FOR SUGAR IMPORTS ON FIRST-COME, FIRST-SERVED BASIS WAS BASED ON DETERMINATION BY SECRETARY OF AGRICULTURE, PER SECTION 202(D)(2) OF U.S. SUGAR ACT THAT "LIMITED SUGAR SUPPLIES AND INCREASES IN PRICES MAY CREATE AN EMERGENCY SITUATION..." WE UNDERSTAND AGRICULTURE HAS BEEN UNDER PRESSURE FROM COST OF LIVING COUNCIL TO TAKE EVERY MEASURE POSSIBLE TO RESTRAIN PRICE INCREASES IN U.S. AND THUS ARGUES UNUSUAL ACTION NECESSARY.

2. FOR EMBASSY'S INFORMATION, STATE WAS INFORMED IN ADVANCE OF AGRICULTURE DECISION AND CONCURRED. WE ARE, HOWEVER, NOT SANGUINE ACTION WILL RESULT IN INCREASED SHIPMENTS TO U.S.

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DURING FIRST QUARTER 1974. IF NOT, AND PRICES REMAIN HIGH,

USDA MAY RECOMMEND THAT SECTION 408(A) OF ACT BE INVOKED, THUS SUSPENDING ALL QUOTA AND PRICE PROVISIONS OF ACT, AND IN EFFECT MAKING U.S. FREE MARKET IMPORTER AT LEAST UNTIL CURRENT TIGHT SUPPLY PERIOD EASES. THIS WOULD PRESUMABLY BE DONE WITHIN NEXT SEVERAL WEEKS.

3. EFFECT OF JANUARY 11 ANNOUNCEMENT AND POSSIBLE USE SECTION 408(A), WHICH BEING DISCUSSED IN DOMESTIC INDUSTRY, HAS BEEN TO CREATE CONSIDERABLE MARKET UNCERTAINTY. IF LATTER STEP TAKEN, WE WOULD EXPECT U.S. PRICE TO RISE, AT LEAST IN SHORT RUN. IN SUCH A NON-QUOTA SITUATION, PHILS WOULD HAVE TO MAKE OWN DECISION ON WHETHER THEY WISH SELL TO U.S. OR TO OTHER MARKETS SUCH AS JAPAN, WHERE THEY WOULD HAVE FREIGHT RATE ADVANTAGE. THEY SHOULD BE AWARE, HOWEVER, THAT LATTER COURSE WOULD JEOPARDIZE THEIR POSITION SHOULD SUGAR ACT QUOTAS ULTIMATELY BE EXTENDED.

4. PLEASE REPORT REACTION TO USDA ACTION ANNOUNCED REFTELS.

RUSH

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NNN

## Message Attributes

**Automatic Decaptoning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SUGAR, PROCUREMENT, EXPORTS, SALES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 JAN 1974  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** RTWILLNER:EB/ICD/TRP:HRWANNING:DE:PAW  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** n/a  
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**Original Handling Restrictions:** STADIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** STADIS  
**Reference:** A. STATE 007003  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 07 AUG 2002  
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**Review Media Identifier:**  
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**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SUGAR  
**TAGS:** EAGR, ETRD, US, RP  
**To:** MANILA  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005